

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**APPLICATION OF B & B WATER)
PROJECT, INC. FOR A NEW SCHEDULE) CAUSE NO. 45810-U
OF RATES AND CHARGES FOR WATER)
SERVICE)**

PUBLIC'S EXHIBIT NO. 2

TESTIMONY OF SHAWN DELLINGER

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

July 14, 2023

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 2 - OUCC's Testimony of Shawn Dellinger on behalf of the OUCC* has been served upon the following captioned proceeding by electronic service on July 14, 2023.

Jeffrey H. Underwood
B&B WATER PROJECT, INC.
6292 E State Road 45
Bloomington, IN 47408
Email: junderwood@alumni.iu.edu



Thomas R. Harper
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TESTIMONY OF OUCC WITNESS SHAWN DELLINGER
CAUSE NO. 45810-U
B&B WATER PROJECT, INC.

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Shawn Dellinger, and my business address is 115 W. Washington St., Suite
3 1500 South, Indianapolis, IN 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as a Senior
6 Utility Analyst in the Water/Wastewater division. My focus is on financing and other
7 financial matters.

8 **Q: Please describe your educational background and experience.**

9 A: My credentials are set forth in Appendix A.

10 **Q: What is the purpose of your testimony?**

11 A: My testimony discusses existing and future debt of B&B’s Water Project, Inc. (“B&B” or
12 “Applicant”) based on its amended Application submitted on June 13, 2023. Applicant
13 proposes to implement the rate increase in two phases. My testimony focuses on the Phase
14 2 increase when B&B will begin to recover debt service on its new debt. As proposed by
15 B&B, Phase 1 will not incorporate any debt payments. Phase 2 will include recovery of
16 debt service on three different debts including, (1) existing debt of about \$100,000, (2) a
17 new capital lease for meters of approximately \$600,000, and (3) new State Revolving Fund
18 (“SRF”) debt of approximately \$2,000,000 that will be used for distribution main projects.
19 I discuss these issuances. I recommend the Commission grant the requested debt authority
20 so B&B can proceed with necessary improvements, and I discuss true-up processes that

1 would ensure transparency and ratepayer fairness. OUCC Witness Margaret Stull includes
2 the existing debt within the Phase 1 rates, rather than postponing recovery on this cost until
3 Phase 2, and I provide support for this inclusion.

4 **Q: What did you do to form the opinions in your testimony?**

5 A: I reviewed the Application and related workpapers, the amended Application, and attended
6 meetings with Jeffrey Underwood (B&B's Treasurer), B&B's financial advisors (Ted
7 Sommer and Robert Reynolds with London Witte), and the Commission staff (Joel Fishkin
8 and Michelle Funk) with Margaret Stull from the OUCC. I also engaged in informal
9 discovery.

II. B&B'S EXISTING DEBT

10 **Q: Please describe B&B's existing debt.**

11 A: B&B's existing debt of \$116,462 is referenced in the amended Application under current
12 notes payable (Acct. 232) on tab F-2 and F-15. However, the debt service for this debt is
13 not included as a revenue requirement in the amended Application until Phase 2. This loan
14 is with Old National Bank in Muncie, Indiana. I have included, as OUCC Attachment SD-
15 1, the Promissory Note and other documents that are related to B&B's existing debt.¹

16 **Q: What is the current balance, interest rate and payment for the existing debt?**

17 A: This loan was refinanced in July of 2022, and at that time it had a balance of \$99,500.²
18 The interest rate, which is based on the prime rate +125 basis points, is variable daily
19 interest rate. The loan will be paid off in July of 2027. The estimated monthly payment at

¹ This document was modified slightly by the OUCC to remove personal information, any modifications were not substantive or material.

² I use the term "refinanced", but that is technically incorrect. This appears to be a new loan, but was necessitated by a blanket payment on previous borrowings.

1 the time of refinancing was \$1,927.91, which was based on the interest rates effective on
2 July 17, 2022.

3 **Q: Have the payments changed since the loan was refinanced?**

4 A: Yes. The payments are based on a variable rate, so each time the prime rate changes, the
5 payments will change. The payments at the time of refinancing were \$1,927.91
6 (\$23,134.92 per year), when the prime rate was 4.75% on July 17, 2022. The prime rate
7 increased just 11 days later to 5.5%, then six more times before the current 8.25% as of
8 June 15, 2023.³ So, the interest rate charged on this loan went from 6% at the time of
9 refinancing to 9.50% currently. I did not recreate an exact amortization table, but simply
10 multiplying the additional interest rate of 3.5% by the balance of \$99,500 results in a \$3,482
11 increase to the annual payments, for a new annual payment of \$26,500 (rounded from
12 \$26,617.42). The loan should be paid off in July of 2027. B&B's application indicated
13 this payment will be at \$26,000 for another four years, and I accept this estimate.

14 **Q: Will the annual debt payments be \$26,000 in the future?**

15 A: Almost certainly not. Variable rate debt really isn't conducive to regulatory treatment.
16 The prime rate will probably increase in the near future as the Fed continues to address
17 inflation concerns in the economy. The rates may very well be lower in a couple of years.
18 However, having true-ups and revising the tariff with every prime rate change isn't feasible
19 or administratively efficient. In the absence of being able to refinance this loan when the
20 larger loan is being taken out, and based on the minimal balance and, thus, impact of any
21 variation of interest rates in future years, I believe the best course of action is to accept the
22 \$26,000 annual payments over the next four years, with no true-up adjustments beyond the

³ <https://www.jpmorganchase.com/about/our-business/historical-prime-rate>

1 single true-up discussed later.

2 **Q: Should the Applicant refinance this debt to a fixed rate debt?**

3 A: Not by itself. Although variable rate loans are not desirable for jurisdictional water
4 utilities, the reality is that this is a loan that is only a few months old, and it does not make
5 sense to refinance this to a fixed rate by itself. However, the Applicant would be well
6 advised to refinance this debt into a larger debt offering if that option is available. I am
7 confident that Applicant is exploring this option and will refinance this debt as part of the
8 larger new financing if able to do so.

9 **Q: What revenue requirement do you recommend for the existing debt?**

10 A: I accept the Applicants proposal to recover \$26,000 a year. However, I believe this should
11 be included in Phase 1 rates, rather than the cost recovery being delayed until Phase 2. This
12 is an existing expense that is existing today, and including this expense as a revenue
13 requirement in Phase 1 more closely aligns revenues with costs. This amount of \$26,000
14 should be trued-up once, which should take place at the time the other debts are trued-up.
15 as part of its Phase 2 debt service revenue requirement.

16 **Q: Is Applicant proposing to enter into a capital lease program to finance replacement**
17 **meters?**

18 A: Yes. Applicant is proposing to enter into a capital lease with the Hoosier Equipment Lease
19 Program (HELP). The terms of this lease are \$600,000 financed for 5 years at 4% interest
20 rate, so average annual payments are \$133,620 for five years, for total payments of
21 \$668,100.

22 **Q: Does Applicant need approval to enter into a capital lease?**

23 A: Yes. This is for all intents and purposes a long-term debt, so Commission approval is
24 needed.

1 **Q: Do you believe this capital lease is an appropriate means of acquiring new meters?**

2 A: Yes. Often, I may have concerns with financing the purchase of meters over five years,
3 rather than simply replacing the meters through E&R annually over five years. However,
4 the specifics of the situation Applicant is currently dealing with, including approximately
5 1/3 of the existing meters being non-functional, increase the urgency of replacing these
6 meters immediately, rather than over five years. In this situation, this capital lease is a
7 good solution, and I support this. In informal discovery, the Applicant confirmed that it
8 will own the meters after five years, so this financing simply provides a means of
9 purchasing the meters at the present time rather than over a five-year period.

10 **Q: Should B&B be granted debt authority of \$600,000 to finance the acquisition of these**
11 **meters?**

12 A: Yes, I recommend the Commission approve a debt authority of up to \$600,000 for entering
13 into a capital lease for the acquisition of new meters.

14 **Q: Does B&B plan to borrow \$2,000,000 from the SRF?**

15 A: Yes. B&B plans to borrow \$2,000,000 from the SRF, at an estimated interest rate of 4%,
16 and a term of 30 years. B&B proposes to replace distribution system water mains with the
17 \$2,000,000.

18 **Q: Is the applicants proposed terms reasonable for this debt?**

19 A: Yes. Since no application has begun at this time, neither the OUCC nor the applicant
20 knows if this financing would be through the pooled program or through the standard SRF
21 program. Therefore, the interest rates would be subject to change due to that major
22 uncertainty, as well as the normal uncertainty of projecting future interest rates. However,
23 as an estimate, this seems reasonable, and I accept Applicant's proposal regarding the
24 estimated annual payments. Over the next three years, these annual payments average

1 \$117,000.⁴

2 **Q Do you support a debt authorization of \$2,000,000 for distribution system projects?**

3 A: Yes, I believe the Commission should grant the authority to issue up to \$2,000,000 in debt
4 for this purpose.

5 **Q: Is there a debt service reserve requirement for these borrowings?**

6 A: Yes. The \$2,000,000 SRF loan has a debt service reserve requirement. This is equal to
7 the maximum annual payment and is funded over five years. The maximum payment
8 according to the Applicant's proposed amortization table takes place in 2048/2049 and is
9 \$120,000, so the annual payment should be \$24,000. Applicant only requested \$23,780,
10 but this is an immaterial difference and can be addressed in the true-up process, so I accept
11 this estimate.

12 **Q: Would there be affordability concerns with this much extra debt?**

13 A: Yes. Applicant proposes to increase rates by slightly over 50%. However, completing
14 these projects now would then lead to lower rates in the future compared to if the projects
15 were delayed. From a financing standpoint, serving ratepayer interests means financing
16 those prudent engineering and operational investments at the lowest long-term cost to
17 ratepayers. Investments are needed to reduce the lost water issues which are currently a
18 significant concern regarding the B&B system.

III. TRUE-UP AND OTHER ISSUES

19 **Q: Should Applicant be required to true-up its proposed annual debt service once the**
20 **interest rates on its proposed debt are known?**

⁴ Looking at the periods of August-July (with payments taking place on August 1 and February 1), my annual numbers are a bit different than Applicant's. They are \$119,600 in year 1, \$118,000 in year 2 and \$116,400 in year 3. This is an annual average of \$118,000. This is close enough and will be subject to true-up, so I believe using the request in the application is appropriate.

1 A: Yes. Interest rates are not known in advance, and in this cause we do not have certainty
2 as to whether the financing will be via the SRF standard program or a pooled financing,
3 which could potentially materially affect the interest rate. Therefore, when the
4 Applicant has closed on the debt for this cause, it should file a true-up report quickly
5 so the Applicant can institute proper new rates incorporating that debt. I propose a
6 filing be made 30 days prior to entering into the debt (or as early as practicable) to
7 more closely estimate the costs that will be incurred, and Phase 2 rates as currently
8 estimated may be charged at that time, this will allow revenue to be in place to service
9 the debt at the time the debt is incurred. Within 30 days of closing on the loan, rates
10 will be trued-up to actual costs. B&B should also be required to update the interest
11 rate and resulting cost on the variable rate loan (the existing loan) to more closely align
12 the costs with the revenue requirement, and an updated tariff should be filed at this
13 time. Finally, my recommendation assumes that both the capital lease and the SRF
14 loan will be entered into at the same time. If not, there will be a temporary
15 misalignment of costs and revenues. I recommend Phase 2 rates be based on the debt
16 service estimates given in the application for all debts (\$276,820, plus \$23,780 for debt
17 service reserve annually). However, if there is a delay of more than two months in
18 closing on either debt issuance, any overage over actual costs should be placed in a
19 restricted account to reduce the ultimate borrowed amount. If both financings have
20 not closed by December 31, 2024, then this restricted balance should be refunded to
21 the ratepayers, and the outstanding debt authorization should be considered void.

22 I also recommend that the OUCC be provided 21 days to review the true-up
23 filing and respond with its analysis and recommendations to the Commission. To

1 clarify, the OUCC would request the period of 21 days for review and response
2 because a shorter period of time potentially would not permit sufficient time for the
3 OUCC to respond and would be burdensome and impractical, specifically in the event
4 necessary members of the OUCC were temporarily unavailable due to vacations,
5 Holidays, case load, etc. Applicant should have the same 21 days to respond to any
6 concerns raised by the OUCC.

7 **Q: When should the Applicant provide the Preliminary Engineering Report to the**
8 **Commission and the OUCC?**

9 A: As soon as it is available to the Applicant, a copy of the PER should be sent to the
10 OUCC and the Commission for review.

IV. OUCC RECOMMENDATIONS

11 **Q: Please summarize your recommendations to the Commission in this cause.**

12 A: I recommend the following:

- 13 1. The Commission approve a debt authorization of up to \$2,000,000 for distribution system
14 projects, to be borrowed from the SRF.
- 15 2. The Commission approve a debt authorization of up to \$600,000 for Applicant to engage in a
16 Capital Lease to replace meters.
- 17 3. The Commission approve a Debt Service Revenue Requirement of \$26,000 in Phase 1.
- 18 4. The Commission approve a Debt Service Revenue Requirement of \$276,820 in Phase 2.
- 19 5. The Commission approve a Debt Service Reserve Revenue Requirement of \$23,780 in Phase
20 2.
- 21 6. The Commission include a true-up process, consistent with my testimony above.

22 **Q: Does this conclude your testimony?**

23 A: Yes.

Appendix A

1 **Q: Please describe your educational background.**

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors
4 certificate program through the Kelley School of Business and the College of Arts and
5 Sciences, at the time restricted to twenty-five (25) students per year. I received my MBA
6 from Indiana University with a concentration in finance. I am a member of Phi Beta Kappa
7 honor society for my undergraduate work and Beta Gamma Sigma honor society for my
8 master's program.

9 **Q: Please describe your work experience.**

10 A: My first jobs after graduating with my undergraduate degree were in New York in finance
11 at Grant's Interest Rate Observer, which is a financial newsletter and Lebenthal and Co.,
12 which was a municipal bond brokerage. I worked at and ultimately owned RCI Sales in
13 Indianapolis, which was a manufacturer representative/distributor in commercial and
14 institutional plumbing, for a number of years, leaving when I sold the company and merged
15 it into a competitor. After receiving my MBA, I worked at Amazon as a financial analyst
16 in their fulfillment division.

17 **Q: How long have you been at the OUCC?**

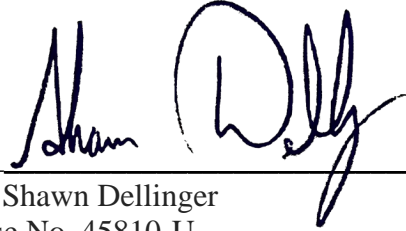
18 A: I started at the OUCC in the Water/Wastewater Division in December of 2019 as a Utility
19 Analyst II, I was promoted to a Senior Utility Analyst in May of 2022. My focus is financial
20 issues, such as ROE's, Capital Structures, etc.

21 **Q: Have you previously testified before the Indiana Utility Regulatory Commission**
22 **("Commission")?**

23 A: Yes, I have testified before the commission regarding various aspects of finance.

AFFIRMATION

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Shawn Dellinger", written over a horizontal line.

By: Shawn Dellinger
Cause No. 45810-U
Office of Utility Consumer Counselor (OUCC)

Date: July 14, 2023

CERTIFICATION OF BENEFICIAL OWNER(S)

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$99,500.00	07-17-2022	07-17-2027	20003585739	223 / 61	0002384256	****	

References in the boxes above are for use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Persons opening an account on behalf of a legal entity must provide the following information:

- a. Name and Title of Natural Person Opening Account:
JEFFREY H. UNDERWOOD, MANAGER of B & B WATER PROJECT, INC.
- b. Name, Type, and Address of Legal Entity for Which the Account is Being Opened:
B & B WATER PROJECT, INC., Corporation; 6023 E STATE ROAD 45; BLOOMINGTON, IN 47408-9293
- c. The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:

Not Applicable
- d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:
 An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
 Any other individual who regularly performs similar functions.
 (If appropriate, an individual listed under section (c) above may also be listed in this section (d)).

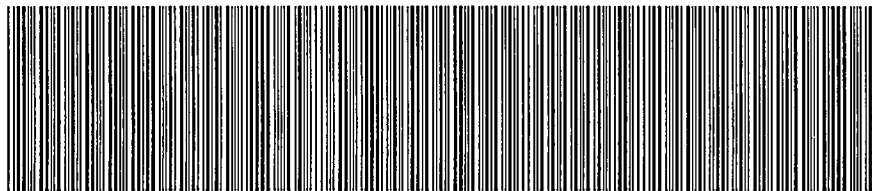
Name/Title	Date of Birth	Address (Res. or Bus. Street Address)	For U.S. Persons ¹	For Non-U.S. Persons ²
JEFFREY H. UNDERWOOD, MANAGER		BLOOMINGTON, IN 47408-9648, USA		

I, **JEFFREY H. UNDERWOOD** (name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct, and on behalf of **B & B WATER PROJECT, INC.**, I agree to notify the financial institution of any change in such information.

By:  8/12/22
JEFFREY H. UNDERWOOD, MANAGER of B & B Date
WATER PROJECT, INC.

¹U.S. Persons must provide a Social Security Number.
²Non-U.S. Persons must provide a Social Security Number, passport number and country of issuance, or similar identification number. In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Legal Entity Identifier: _____ (Optional)



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COMMERCIAL CREDIT APPLICATION ACKNOWLEDGEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll.	Account	Officer	Initials
\$99,500.00	07-17-2022	07-17-2027	20003585739	223 / 61	0002384256	***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: B & B WATER PROJECT, INC.
PO BOX 7287
BLOOMINGTON, IN 47407-7287

Lender: OLD NATIONAL BANK
798 EAST IN BUSINESS BANKING
320 S HIGH ST.
MUNCIE, IN 47305
(800) 731-2265

The undersigned (the "Applicant," whether one or more persons and/or entities, as borrowers or guarantors, separately and collectively) are applying for a loan(s) from Old National Bank ("Bank") in the amount of \$99500.00 on 05-20-2022.

Applicant certifies that the information provided in the application is true and correct as of the date of this acknowledgement. Applicant understands that any intentional or negligent misrepresentation of the information contained in the application may result in civil liability and/or criminal penalties including but not limited to fine or imprisonment or both under the provisions of Title 18 United State Code, Section 1001, et seq. and liability for monetary damages to Old National, its agents, successors and assigns, insurers, and any other person who may suffer any loss due to reliance upon any misrepresentation I/we have made on the application. Applicant authorizes Bank to file financing statements under the Uniform Commercial Code prior to execution of loan documents as Bank deems necessary to perfect security interests in collateral. All persons signing below thereby consent to Bank obtaining of their consumer credit reports by Old National, either in connection with Bank's preliminary evaluation of Customer, or during any periodic review of Customer deemed necessary by Bank.

UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006 (THE "ACT") ACKNOWLEDGEMENT AND CERTIFICATION. Restricted Transactions (as that term is defined in 12 C.F.R. 233.2 - Regulation GG, as amended from time to time) are prohibited from being processed through your Account or any other service offered or provided to you by us. In addition, we may refuse to process or block a transaction that we reasonably deem to be restricted by the Unlawful Internet Gambling Enforcement Act of 2006 and its implementing regulations, as may be amended from time to time. You certify that you do not engage in an internet gambling business.

In connection with your loan application, Old National may be soliciting, offering to sell, selling you an insurance product or annuity. Federal law requires Bank to provide you with the following disclosures.

Credit Disclosures - (1) Bank, as a condition of granting you a loan, cannot require that you purchase an insurance product or annuity from Old National or any of its affiliates. (2) Bank, as a condition of granting you a loan, cannot require your agreement not to obtain or prohibit you from obtaining an insurance product or annuity from an unaffiliated entity.

The Federal Equal Credit Opportunity Act (ECOA) prohibits discrimination against credit applicants based on race, color, religion, national origin, sex, marital status, age (provided the person has the capacity to contract), because of income derived from any public assistance program, or because of any rights exercised under the Consumer Credit Protection Act. However, information regarding ethnicity, race, and gender is requested by the federal government for certain types of loans related to a dwelling. The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, race, and sex) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." The law provides that we may not discriminate on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, race, and sex on the basis of visual observation or surname.

USA Patriot Act - To help the government fight the funding of terrorism and money laundering activities, the USA Patriot Act requires all financial institutions to obtain, verify, and record information that each person (including business entities) who opens an Account. What this means for you: When you open an Account we will ask for your name, physical address, date of birth, tax payer identification number and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. We will let you know if additional information is required.

If this application is made by multiple borrowers, we intend to apply for joint credit (all borrowers signing this acknowledgement will be considered a joint applicant in accordance with Regulation B).


COMMERCIAL CREDIT APPLICATION ACKNOWLEDGEMENT
(Continued)

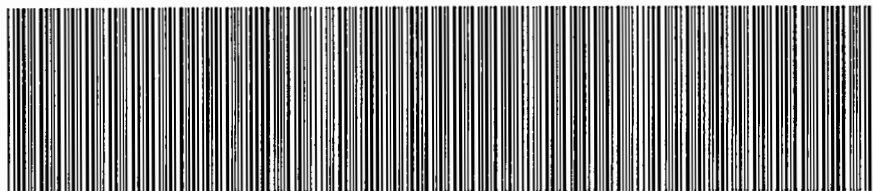
Loan No: 20003585739

Page 2

BORROWER:

B & B WATER PROJECT, INC.

By: 
JEFFREY W. UNDERWOOD, TREASURER of B & B
WATER PROJECT, INC.



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PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$99,500.00	07-17-2022	07-17-2027	20003585739	223 / 61	0002384256	***	

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Borrower: B & B WATER PROJECT, INC.
PO BOX 7287
BLOOMINGTON, IN 47407-7287

Lender: OLD NATIONAL BANK
798 EAST IN BUSINESS BANKING
320 S HIGH ST.
MUNCIE, IN 47305
(800) 731-2265

Principal Amount: \$99,500.00

Date of Note: July 17, 2022

PROMISE TO PAY. B & B WATER PROJECT, INC. ("Borrower") promises to pay to OLD NATIONAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Ninety-nine Thousand Five Hundred & 00/100 Dollars (\$99,500.00), together with interest on the unpaid principal balance from July 17, 2022, until paid in full.

PAYMENT. Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in 60 payments of \$1,927.91 each payment. Borrower's first payment is due August 17, 2022, and all subsequent payments are due on the same day of each month after that. Borrower understands that Lender may make loans based on other rates as well. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.250 percentage points over the Index (the "Margin"). If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. **NOTICE:** Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the prime rate as published in the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.250 percentage points over the Index (the "Margin"). If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. **NOTICE:** Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$95.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Old National Bank, PO Box 3728 Evansville, IN 47736-3728.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$50.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by adding an additional 3.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

- Payment Default.** Borrower fails to make any payment when due under this Note.
- Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.
- Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.
- False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
- Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.
- Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.
- Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or

**PROMISSORY NOTE
(Continued)**

Loan No: 20003585739

Page 2

disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount. Under all circumstances, the Indebtedness will be repaid without relief from any Indiana or other valuation and appraisal laws.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Indiana without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Indiana.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of DELAWARE County, State of Indiana.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the collateral under any and all existing and subsequent security documents, including mortgages, security agreements and collateral assignments by any Borrower or Guarantor. .

COLLATERAL INSPECTION/APPRaisal COST REIMBURSEMENT. Upon such frequency as Lender may determine and whether or not Borrower is in default, Lender shall be entitled to perform and Borrower shall cooperate with examinations, inspections, audits and appraisals as provided herein. Upon advance notice by Lender to Borrower, Borrower shall permit access to its books and records by Lender and by Lender's designated representatives and agents for purposes of inspection, copying and/or auditing. Lender and Lender's designated representatives and agents shall also have the right upon advance notice to examine, inspect and/or appraise any collateral for this Note wherever located. Subject to any limitations under applicable law, Borrower shall reimburse Lender for any professional fees or other expenses incurred by Lender in connection with any examinations, inspections or audits of the books and records of Borrower and/or any examinations, inspections and/or appraisals of such collateral.

CAPITALIZATION OF LATE CHARGES. Borrower understands and agrees that any late charges imposed under this Note may be added by Lender to the principal amount due under this loan and shall bear interest at the rate then applicable under the terms of this Note.

FINANCIAL RECORDS. In absence of a more specific agreement, requirement or covenant with regard to the preparation and delivery of financial statements and additional information which may be contained in a Business Loan Agreement between Borrower and Lender, Borrower agrees to furnish Lender with, as soon as available, but in no event later than ninety (90) days after the end of each fiscal year of Borrower, Borrower's balance sheet and income statement for the year ended. Borrower further agrees to furnish Lender with, as soon as available, but in no event later than thirty (30) days after direction to do so from Lender, current interim financial statements, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations. All financial reports required to be provided by Borrower shall be prepared in accordance with generally accepted accounting principles, applied on a consistent basis, and certified by an authorized officer of Borrower as being true and correct. Borrower also agrees to cause all guarantors of this Note to furnish financial statements and federal income tax returns within thirty (30) days after direction to do so by the Lender. If the required financial statements or financial information required by this Note or any Business Loan Agreement between Borrower and Lender is not delivered to Lender within fifteen days after the date required to do so, in addition to its other rights and remedies hereunder, Lender shall be entitled to increase Borrower's interest rate on this Note 3.00 percentage points above the interest rate which would otherwise apply until such time as all of the required financial information is provided to the Lender.

PRIOR NOTE. This Note is issued, not as a payment toward, but as a continuation of, the obligations of borrower to Lender pursuant to that certain Promissory Note most recently evidencing the Indebtedness (the Previously Issued Note, whether issued by Lender or a predecessor). Accordingly, this Note shall not be construed as payment toward, or a novation or extinguishment of, the obligations arising under the Previously Issued Note, and its issuance shall not affect the priority of any security interest granted in connection with the Previously Issued Note. .

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

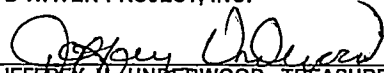
GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

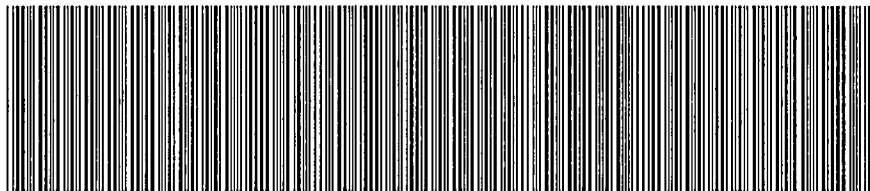
PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

B & B WATER PROJECT, INC.

By: 
JEFFREY H. UNDERWOOD, TREASURER of B & B
WATER PROJECT, INC.



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AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$99,500.00	07-17-2022	07-17-2027	20003585739	223 / 61	0002384256	***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Grantor: B & B WATER PROJECT, INC.
PO BOX 7287
BLOOMINGTON, IN 47407-7287

Lender: OLD NATIONAL BANK
798 EAST IN BUSINESS BANKING
320 S HIGH ST.
MUNCIE, IN 47305
(800) 731-2265

INSURANCE REQUIREMENTS. Grantor, B & B WATER PROJECT, INC. ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: All personal property of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, whether jointly or severally owned, including all goods (including inventory, equipment, farm products, consumer goods and any accessions thereto), fixtures, documents, instruments (including promissory notes), accounts (including health care insurance receivables), securities and all other investment property, supporting obligations, chattel paper (whether tangible or electronic), commercial tort claims, deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), and all general intangibles (including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, tradenames, trade secrets, copyrights, copyright applications, software, service marks, goodwill, licenses, permits and agreements of every kind utilized in the business), all records of any kind relating to the foregoing, together with all cash proceeds, non-cash proceeds and products thereof, additions and accessions thereto, replacements and substitutions thereof. This Agreement covers, and is intended to cover, all assets. .
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

Old National Bank
Its Successors and/or Assigns
PO Box 3728
Evansville, IN 47736-3728

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, proof of the required insurance as provided above, with an effective date of July 17, 2022, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

**AGREEMENT TO PROVIDE INSURANCE
(Continued)**


Loan No: 20003585739

Page 2

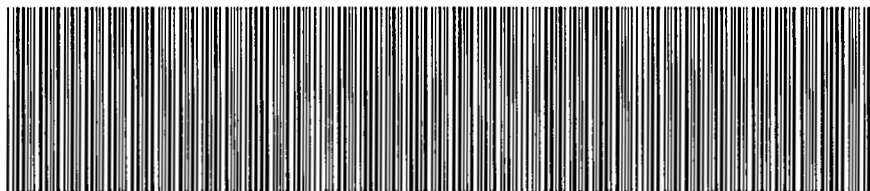
GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JULY 17, 2022.

GRANTOR:

B & B WATER PROJECT, INC.

By: 
JEFFREY H. UNDERWOOD, TREASURER of B & B
WATER PROJECT, INC.

FOR LENDER USE ONLY INSURANCE VERIFICATION		
DATE: _____		PHONE (800) 236-5680
AGENT'S NAME: _____		
AGENCY: HOOSIER HILLS INSURANCE AGENCY 8002365680		
ADDRESS: _____		
INSURANCE COMPANY: _____		
POLICY NUMBER: _____		
EFFECTIVE DATES: _____		
COMMENTS: _____		



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NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	07-17-2022		20003585739	223 / 61	0002384256	****	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Grantor: B & B WATER PROJECT, INC.
PO BOX 7287
BLOOMINGTON, IN 47407-7287

Lender: OLD NATIONAL BANK
798 EAST IN BUSINESS BANKING
320 S HIGH ST.
MUNCIE, IN 47305
(800) 731-2265

TO: HOOSIER HILLS INSURANCE AGENCY 8002365680
ATTN: Insurance Agent

DATE: July 17, 2022

RE: Policy Number(s):
Insurance Companies/Company:

Dear Insurance Agent:

Grantor, B & B WATER PROJECT, INC. ("Grantor") is obtaining a loan from OLD NATIONAL BANK. Please send appropriate evidence of insurance to OLD NATIONAL BANK, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

Collateral: All personal property of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, whether jointly or severally owned, including all goods (including inventory, equipment, farm products, consumer goods and any accessions thereto), fixtures, documents, instruments (including promissory notes), accounts (including health care insurance receivables), securities and all other investment property, supporting obligations, chattel paper (whether tangible or electronic), commercial tort claims, deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), and all general intangibles (including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, tradenames, trade secrets, copyrights, copyright applications, software, service marks, goodwill, licenses, permits and agreements of every kind utilized in the business), all records of any kind relating to the foregoing, together with all cash proceeds, non-cash proceeds and products thereof, additions and accessions thereto, replacements and substitutions thereof. This Agreement covers, and is intended to cover, all assets. .

Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender.
Latest Delivery Date: By the loan closing date.


RETURN TO:

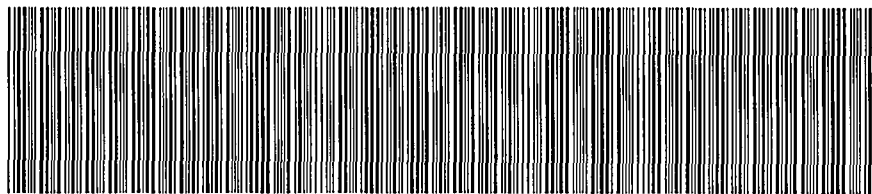
Old National Bank
Its Successors and/or Assigns
PO Box 3728
Evansville, IN 47736-3728

LoanPro, Ver. 20.3.10.002 Copr. Finstra USA Corporation 1997, 2022 All Rights Reserved - IN E:\FRLPLW11.FC TR-1255076 PR-COMMERCIAL

GRANTOR:

B & B WATER PROJECT, INC.

By: 
JEFFREY H. UNDERWOOD, TREASURER of B & B
WATER PROJECT, INC.



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DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$99,500.00	07-17-2022	07-17-2027	20003585739	***	0000000056	***	***

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: B & B WATER PROJECT, INC.
PO BOX 7287
BLOOMINGTON, IN 47407-7287

Lender: OLD NATIONAL BANK
798 EAST IN BUSINESS BANKING
320 S HIGH ST.
MUNCIE, IN 47305
(800) 731-2265

LOAN TYPE. This is a Variable Rate Nondisclosable Loan to a Corporation for \$99,500.00 due on July 17, 2027. This is a secured renewal of the following described indebtedness: This Note is issued, not as a payment toward, but as a continuation of, the obligations of borrower to Lender pursuant to that certain Promissory Note most recently evidencing the Indebtedness (the Previously Issued Note, whether issued by Lender or a predecessor). Accordingly, this Note shall not be construed as payment toward, or a novation or extinguishment of, the obligations arising under the Previously Issued Note, and its issuance shall not affect the priority of any security interest granted in connection with the Previously Issued Note. .

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: RENEWAL OF EXISTING ONB LOAN, ORIGINALLY FOR WORKING CAPITAL TO SUPPORT OPERATIONS.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$99,500.00 as follows:

Other Disbursements:	\$99,500.00
\$99,500.00 RENEWAL 20003585739 PREV. DISB.	
Note Principal:	\$99,500.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$786.31
\$250.00 Origination Fee	
\$536.31 Interest due thru 7/17/2022	
Other Charges Paid in Cash:	\$7,762.86
\$7,762.86 Paydown	
Total Charges Paid in Cash:	\$8,549.17

Debit ck
4255903

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's Checking account, numbered 0004255903, the amount of any loan payment. Recurring payments will be made according to the following schedule:

No. of Pmts	Amount	Due
60	\$1,927.91	Monthly beginning 08-17-2022

If payments vary in amount, Borrower has the right to receive notice from Lender ten (10) calendar days prior to the date on which the debit is to be made to the Account, however, Borrower agrees that such notice will be required only if the debit exceeds any payment amounts under the terms of the Payment Schedule as stated above and as may be modified from time to time.

If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.


AUTOMATIC PAYMENT - FINAL PAYMENT. Notwithstanding anything to the contrary, Lender will not initiate an electronic payment for the final loan payment. Lender will bill Borrower for the final loan payment and Borrower acknowledges they are responsible for making that payment directly to Lender as provided in the loan agreement. The final payment due at maturity will be based upon the principal balance, accrued interest and fees outstanding at that time.

AUTOMATIC PAYMENT CANCELLATION INSTRUCTIONS. If Account Holder or Borrower wish to modify, change or cancel this Authorization the party requesting cancellation will notify lender at least 5 days prior to the next scheduled payment date.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JULY 17, 2022.

BORROWER:

B & B WATER PROJECT, INC

By: 
JEFFREY W. UNDERWOOD, TREASURER of B & B
WATER PROJECT, INC.